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Lafayette, Louisiana
July 29, 2005

Honorable James H. Welsh
Commissioner of Conservation
Office of Conservation
Post Office Box 94275
Baton Rouge, LA 70804-4275

Re: Germany Sand, Reservoir A
Iberia Field
Iberia Parish, Louisiana

Dear Commissioner Welsh:

Application is hereby made on behalf of **DENBURY RESOURCES, INC.** for the calling of a public hearing, after ten (10) days legal notice, to consider evidence relative to the issuance of an order pertaining to the following matters relating to the Germany Sand, Reservoir A, in Iberia Field, Iberia Parish, Louisiana for which rules and regulations were established and a single drilling and production unit was created for the exploration for and production of oil and gas and gas and condensate by the 860-L Series of Office of Conservation Orders, said unit being designated GERMANY RA SUA:

1. To permit the applicant to drill, designate and utilize its Helis Enterprises, Inc. No. 1 Well as substitute unit well for the GERMANY RA SUA, said well located as shown on the plat attached hereto.
2. To find that the proposed substitute unit well is necessary to efficiently and economically drain a portion of the reservoir covered by the unit in which it is situated which cannot be so drained by any existing well within such unit.
3. To grant the applicant a spacing tolerance of no closer than 150 feet from the nearest unit line for the proposed substitute unit well to account for the possible variance between the proposed location and the "as drilled" location.
4. To confirm and continue in effect the existing alternate unit well for the GERMANY RA SUA.
5. To permit the operator to produce the unit allowable from the proposed substitute unit well and the existing alternate unit well, in any combination thereof, at the operator's discretion.
6. To provide that the Commissioner of Conservation should be authorized to reclassify the Germany Sand, Reservoir A, in Iberia Field by supplemental order without the necessity of a

public hearing if the producing characteristics of the reservoir change and evidence to justify such reclassification is submitted to and accepted by the Commissioner of Conservation.

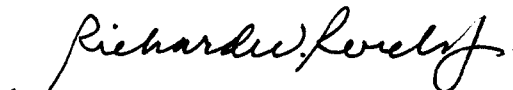
7. Except to the extent contrary herewith, to continue in full force and effect the provisions of the 860-L Series of Office of Conservation Orders, the unit created thereby, and applicable Statewide Orders.
8. To consider such other matters as may be pertinent.

The Germany Sand, Reservoir A, in Iberia Field, Iberia Parish, Louisiana, was previously defined in Office of Conservation Order No. 860-L, effective May 1, 1976.

The existing unit and alternate unit wells are off production in the unit interval. In the applicant's opinion, the proposed substitute unit well is necessary to efficiently and economically drain the reservoir. The applicant is therefore requesting permission to drill, designate and utilize its Helis Enterprises, Inc. No. 1 Well as substitute unit well for the GERMANY RA SUA, at the location shown on the plat attached hereto.

Attached hereto and made a part hereof is a plat outlining the applicant's proposals along with a list of the names and addresses of the Interested Owners, Represented Parties and Interested Parties to whom a copy of this pre-application notice is being sent. Pursuant to the Revised Rules of Procedure, the list of parties is being furnished only to the Commissioner of Conservation and to the District Manager of the Lafayette District of the Office of Conservation. However, the list of parties will be provided to any party requesting a copy of it. A reasonable effort was made to ascertain the names and addresses of all Interested Owners, Interested Parties and Represented Parties.

Very truly yours,


Richard W. Revels, Jr.

RWRjr/dbf
Enclosures

- cc: Mr. Richard Hudson
Lafayette District Office of Conservation
- cc: Interested Owners, Represented Parties and
Interested Parties

S00°07'43"E 15,347.74' From
USC&GS Monument "VIDA, 1969"

**PROPOSED BOTTOM
HOLE LOCATION:**

Denbury Onshore, LLC-
Helis Enterprises, Inc.
No. 1 Well
X=1,874,214.12
Y= 478,560.41

Proposed
Substitute
Unit Well

T
12
S

Sec. 25

Current
Alternate
Unit Well

Mrs Celeste Gralino

F. N. Bullock

Frank Genovese
Helis Enterprises, Inc.

Denbury Onshore, LLC-
Lessee

Louis R. Bryant, et al

F. N. Bullock, et al

Gulf Fee

Perimeter of
GERMANY RA SU A
Order No. 860-L

Duhe
No. 72 Well

Current
Unit Well

R 7 E

Sec. 56

Bolivar

Sec.
52

Sec. 51

B. W. Marston

Sec. 53

Sec. 54
S.E. Sorrell,
et al

SURFACE LOCATION:
Denbury Onshore, LLC-
Helis Enterprises, Inc.
No. 1 Well
X=1,875,418.00
Y= 478,986.00
Lat. 29°59'00" (NAD 83)
Long. 91°43'37" (NAD 83)
(Proposed Substitute Unit Well)

Sec. 26

J. P. Duhe, et al

Daigne

Amber

Robert Burleigh

Sec. 27

EXHIBIT NO.

DOCKET NO.

DENBURY ONSHORE, LLC

IBERIA FIELD
IBERIA PARISH, LOUISIANA

**PROPOSED SUBSTITUTE UNIT WELL
GERMANY SAND**

Witness: David Comeaux

0 1000' 2000'

DATE:

LEON E. COMEAUX & ASSOC.

GEOLOGISTS